## REMARKS

Claims 1, 3, and 4 are pending in this application. By this Amendment, claims 1 and 3 are amended and claims 2 and 5-7 are canceled. Support for the amendments to the claims may be found, for example, in canceled claims 2 and 5-7 and in the specification at page 6, line 23 to page 8, line 23. No new matter is added.

In view of the foregoing amendments and following remarks, reconsideration and allowance are respectfully requested.

## I. Personal Interview

The courtesies extended to Applicants' representative by Examiner Harris at the interview held February 5, 2009, are appreciated. The reasons presented at the interview as warranting favorable action are incorporated into the remarks below, which constitute Applicants' record of the interview.

## II. 35 U.S.C. §103(a) Rejection

The Office Action rejects claims 1-7 over U.S. Patent No. 5,314,756 to Tagaya ("Tagaya") in view of U.S. Patent No. 4,869,971 to Nee et al. ("Nee"). By this Amendment, claims 2 and 5-7 are canceled, rendering their rejection moot. As to the remaining claims, Applicants respectfully traverse the rejection.

Without conceding the propriety of the rejection, claim 1 is amended to more clearly recite various novel features of the claimed invention. Specifically, claim 1 is amended to recite:

1. A rare earth magnet that has a magnet body containing a rare earth element and a protective film disposed on the magnet body,

the protective film consisting of a three-layer structure comprising:

a first protective film that is in a microcrystalline state;

a second protective film that is in a columnar crystal state and has a larger mean crystal grain size than that of the first protective film; and

a third protective film that is in a microcrystalline state and has a smaller mean crystal grain size than that of the second protective film;

wherein:

the first protective film, the second protective film and the third protective film are disposed sequentially from the side of the magnet body;

the first protective film as an undermost layer covers a surface of the magnet body and is covered by the second protective film;

the second protective film as an intermediate layer covers a surface of the first protective film and is covered by the third protective film;

the third protective film as an uppermost layer covers a surface of the second protective film and is exposed; the first protective film and the third protective film have a mean crystal grain size of 0.5  $\mu m$  or less; and the second protective film has a mean crystal grain size of 2  $\mu m$  or more in the major axis direction and has a mean crystal grain size of 1  $\mu m$  or less in the minor axis direction.

The combination of Tagaya and Nee fail to teach or suggest the rare earth magnet of amended claim 1 for at least the following reasons.

The Office Action asserts that Tagaya teaches that the innermost and outermost layers would necessarily have "similar" grain sizes. *See* Office Action at page 4, lines 1-5. This assertion is incorrect. Tagaya discloses that there "may [be] provided a protective coating." *See* Tagaya at column 5, lines 11-13 (emphasis added). In other words, the protective coating is optional and, therefore, in the case where such a protective coating is not present, the innermost and outermost layers would not have a similar grain size. The teachings of Tagaya would not have rendered obvious that "the first protective film and the third protective film have a mean crystal grain size of 0.5 µm or less" because Tagaya teaches options which would not necessarily yield the magnet of claim 1.

Furthermore, the combination of Tagaya and Nee fail to teach or suggest a rare earth magnet consisting of:

a <u>three-layer</u> structure comprising: a first protective film that is in a <u>microcrystalline</u> state; a second protective film that is in a <u>columnar crystal</u> state and has a larger mean crystal grain size than that of the first protective film; and a third protective film that is in a <u>microcrystalline</u> state and has a smaller mean crystal grain size than that of the second protective film.

The <u>crystalline states</u> of the <u>three layers</u> are not, nor are they asserted to be, rendered obvious by the combination of applied references. Moreover, the second layer is a "radially grown columnar crystal state," which is not taught be Tagaya or Nee. In fact, Tagaya merely teaches a "crystal growth uniform in one direction." *See* Tagaya at column 9, lines 10-15.

Finally, the Office Action acknowledges that Tagaya is silent with regard to adjusting grain size to reduce the number of pinholes; however, it asserts that Nee cures this deficiency because it teaches adjusting grain size between layers to improve mechanical properties. *See* Office Action at page 3, lines 4-12; and Nee at column 3, lines 25-49. This alleged motivation does not identify any specific benefit to making such a modification that can be found in the references or otherwise, i.e., why would the skilled artisan have wanted to be able to improve mechanical properties; what, specifically, the desired mechanical properties are; or how/whether the ambivalent mechanical properties of Nee would apply to Tagaya. *See* MPEP §2143.01(III), which states that "the mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggest the desirability of the combination." *See also* the conclusion of the Patent Office's May 3, 2007 Memorandum regarding the Federal Circuit's *KSR Int'l. Co.v. Teleflex, Inc.* decision, which states, "it remains necessary to identify the reason why a person of ordinary skill in the art would have combined the prior art elements in the manner claimed."

Because the Office Action has failed to identify any clear benefit associated with the alleged modification of Tagaya, the rejection is improper. For this additional reason,

Applicants respectfully request withdrawal of the rejection.

Claim 1 would not have been rendered obvious by the combination of Tagaya and Nee. Claims 3 and 4 depend from claim 1 and, thus, also would not have been rendered obvious by the combination of Tagaya and Nee. Accordingly, reconsideration and withdrawal of the rejection are respectfully requested.

## III. Conclusion

In view of the foregoing, it is respectfully submitted that this application is in condition for allowance. Favorable reconsideration and prompt allowance of the application are earnestly solicited.

Should the Examiner believe that anything further would be desirable in order to place this application in even better condition for allowance, the Examiner is invited to contact the undersigned at the telephone number set forth below.

Respectfully submitted,

James A. Oliff

Registration No. 27,075

Ryan R. Brady

Registration No. 62,746

JAO:RRB/lmf

Attachments:

Petition for Extension of Time Request for Continued Examination

Date: February 9, 2009

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